GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:718
ANSWERED ON:21.02.2003
TAKE OVER OF UT - II SCHEME
BASUDEB ACHARIA;LAKSHMAN CHANDRA SETH;N.N. KRISHNADAS;SUNIL KHAN

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the bifurcated portion of the UTI (UTI-II) will be entrusted on a Asset Management Company (AMC) and it will make it privatized;

(b) if so, the details of the sponsors of the AMC; and

(c) the benefits the Government are expecting from the privatization of UTI-II ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDDRAO V ADSUL)

(a) to (c) State Bank of India, Punjab National Bank, Bank of Baroda and the Life Insurance Corporation of India (sponsors) have set up UTI Mutual Fund, the UTI Trustee company and the UTI Asset Management (P) Ltd., in accordance with SEBI (Mutual Fund) Regulations. The UTI Asset Management Company (P) Ltd., is managing the schemes mentioned in the Schedule II to the Unit Trust of India (Transfer of Undertaking and Repeal) Act 2002. As per the agreement signed between the government and the above sponsors on 15th January, 2003, Government will receive compensation from the sponsors for a price to be determined by mutual agreement. Also, this move ring fences the liability of Government towards UTI and allows UTI-II to be run like other Mutual Funds in the country under SEBI regulations.